

Exhibit E

Coverick Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**DECLARATION OF STEVEN P. COVERICK IN SUPPORT OF MOTION OF
DEBTORS FOR ENTRY OF AN ORDER (I) AUTHORIZING AND APPROVING
ENTRY INTO, AND PERFORMANCE UNDER, THE COLLATERAL CLAIM
SETTLEMENT AGREEMENT, THE INTER-DEBTOR RESTRUCTURING
AGREEMENT AND THE RESTRUCTURING PAYMENT AGREEMENT AND
(II) GRANTING RELATED RELIEF**

I, Steven P. Coverick, hereby declare under penalty of perjury:

1. I am a Managing Director at Alvarez & Marsal North America, LLC (“A&M”), a restructuring advisory services firm specializing in interim management, crisis management, turnaround consulting, operational due diligence, creditor advisory services and financial and operation restructuring.

2. I have more than 10 years of restructuring and financial advisory experience across various industries, including energy, technology, media, telecommunications, logistics and healthcare. I have a Bachelor’s Degree from the Kelley School of Business at Indiana University, am a CFA® charterholder, and am recognized as a Certified Turnaround Professional by the Turnaround Management Association.

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification numbers are 3288 and 4063, respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson’s Commercial Complex, Friars Hill Road, St. John’s, Antigua and Barbuda.

3. Since joining A&M, I have been involved in numerous Chapter 11 restructurings, including Seadrill Limited, iHeart Media Inc., White Star Petroleum Holdings, LLC, Templar Energy LLC and Expro International Group Holdings Limited.

4. I submit this declaration (the “Declaration”) in support of the *Motion of Debtors For Entry of an Order (I) Authorizing and Approving Entry Into the Collateral Claim Settlement Agreement, the Inter-Debtor Restructuring Agreement and the Restructuring Payment Agreement and (II) Granting Related Relief* (the “Motion”).²

5. I am not being compensated separately for this testimony other than through payments received by A&M as financial advisor retained by FTX Trading Ltd. and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”). Except as otherwise indicated herein, all of the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by A&M professionals involved in advising the Debtors in the above-captioned case (the “Chapter 11 Case”) or information provided to me by the Debtors. If called upon to testify, I could and would testify to the facts set forth herein on that basis. I am authorized to submit this Declaration on behalf of the Debtors.

FTX Europe Balance Sheet

6. According to the Debtors’ currently available books and records, as of November 30, 2023, FTX Europe’s assets were approximately \$126.5 million,³ including (i) an

² Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

³ Based on the local (unaudited) management accounts of FTX Europe prepared on a going concern basis as of November 30, 2023, adjusted to reverse the impairment of the approximately \$102.5m intercompany receivable against FTX Trading. The approximately \$102.5m receivable was fully impaired in the local accounts in accordance with Swiss accounting principles (principle of prudence) based on the circumstances prevailing in February 2023 when the impairment was booked by FTX Europe.

intercompany receivable of approximately \$102.5 million against FTX Trading in respect of certain digital assets transferred from FTX Europe to FTX Trading (the “FTX Europe Claim”), (ii) fixed assets, participations and other receivables representing approximately \$18.2 million,⁴ and (iii) cash and cash equivalents of approximately \$5.8 million.

7. According to the Debtors’ currently available books and records, as of November 2023, FTX Europe’s equity was negative \$2.3 million and liabilities were approximately \$128.8 million,⁵ including (i) a payable of approximately \$63,777,000⁶ held by CM-Equity against FTX Europe, as described in further detail below, (ii) an intercompany payable of approximately \$60.2 million to Alameda Research in respect of certain stablecoin transfers made by Alameda Research to FTX Europe relating to prepetition business activities facilitated by FTX Europe (the “Alameda Claim”), (iii) approximately \$3.1 million owed by FTX Europe to FTX Trading in respect of certain pre-petition intercompany loans and operating expenses paid by FTX Trading on behalf of FTX Europe (the “FTX Trading Expenses Claim”), (iv) approximately \$0.2 million owed by FTX Europe to WRS in respect of pre- and post-petition payroll and other charges paid by WRS on behalf of FTX Europe (together with the FTX Trading Expenses Claim, the “Expenses Claims”), (v) other miscellaneous intercompany payables of approximately \$0.3 million and (vi) other miscellaneous net payables to third-party creditors of approximately \$1.2 million.

⁴ Based on carrying value pursuant to local (unaudited) management accounts of FTX Europe prepared on a going concern basis as of November 30, 2023.

⁵ Based on the local (unaudited) management accounts of FTX Europe prepared on a going concern basis as of November 30, 2023.

⁶ Current book value according to local (unaudited) management accounts of FTX Europe prepared on a going concern basis as of November 30, 2023 (\$65 million payable to CM-Equity minus offsetting charges of approximately \$1.2 million).

Collateral Transactions with CM-Equity

8. I understand that, on October 27, 2020, CM-Equity and FTX Europe (formerly known as Digital Assets DA AG) entered into that certain Framework Purchase Agreement Regarding Collateral Contracts (the “Collateral Agreement”) pursuant to which CM-Equity made certain payments to FTX Europe from time to time to collateralize tokenized stock trading of CM-Equity’s customers (the “Collateral Payments”).

9. I understand that, on April 1, 2021, Binance and CM-Equity entered into that certain Agreement on the Purchase and Sale of Tokenized Stocks (the “Tokenized Stocks Agreement” and together with the Collateral Agreement, the “Tokenized Stock and Collateral Agreements”), pursuant to which Binance purchased certain tokenized stocks from CM-Equity. The Debtors are not party to the Tokenized Stocks Agreement. I further understand that Binance has initiated arbitration in Germany for the return of \$65 million against CM-Equity in respect of collateral transferred by Binance to CM-Equity pursuant to the Tokenized Stocks Agreement.

10. In connection with the Collateral Payments, CM-Equity filed a proof of claim in these Chapter 11 Cases in the amount of \$65 million against FTX Europe and a proof of claim in the amount of EUR 68,544,156.16 including interest against FTX Europe in its moratorium proceedings in Switzerland (the “Moratorium Proceeding”) (collectively, the “CME Claim”).

The FTX Europe Restructuring

11. The continued pendency of the FTX Europe Claim, the CME Claim and the Alameda Claim, and their future adjudication in these Chapter 11 Cases and the Moratorium Proceeding, as well as potential complications for the Debtors arising out of the pending arbitration, are burdensome complexities that are preventing a swift resolution of FTX Europe.

12. In connection with the multi-part transaction described in the Motion, the Debtors commenced settlement discussions with CM-Equity and Binance.

13. It is my view that the Collateral Claim Settlement Agreement is the result of good faith and extensive arm's length negotiations.

14. The Debtors expect that the releases and settlements contemplated by the FTX Europe Restructuring will enable FTX Europe to wind down on a solvent basis in accordance with applicable Swiss law proceedings.

15. I understand that, taken together, the Collateral Claim Settlement Agreement, the Inter-Debtor Restructuring Agreement and the Restructuring Payment Agreement will (i) offset intra-group claims (the Alameda Claim and FTX Europe Claim) thereby simplifying the financial position of FTX Europe, (ii) release the CME Claim (filed against the Debtors for \$65 million) in consideration for FTX Trading's assumption of the Binance Allowed Claim (value \$50 million), (iii) result in a payment to CM-Equity in relation to costs incurred by CM-Equity (value \$1 million), and (iv) allow FTX Trading to realize the value of its concessions to FTX Europe as a result of the restructuring transactions. This will result in the avoidance of potential litigation, a \$14 million net reduction of claims against the Debtors and a significant acceleration of FTX Europe's ability to exit the Moratorium Proceeding through a solvent liquidation.

16. Moreover, the Inter-Debtor Restructuring Agreement, the Collateral Claim Settlement Agreement and the Restructuring Payment Agreement are a crucial part of the broader multi-part arrangement described above, which, as a result of the Sale Transaction, will be value-accretive to estate creditors.

17. Based upon the facts presented to me as a result of the analysis described above and based upon my understanding of the claims and disputes as presented to me by A&M and the Debtors' counsel, it is my opinion that, in its totality (a) the FTX Europe Restructuring Agreements contain reasonable terms and conditions, (b) the benefits of the FTX Europe Restructuring outweighs the alternative of continued litigation and investigation and (c) entry into the FTX Europe Restructuring Agreements is in the best interests of the Debtors, their estates and all stakeholders.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: April 10, 2024

/s/ Steven P. Coverick

Steven P. Coverick
Alvarez & Marsal North America, LLC
Managing Director